

Trends in American Wages

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Highlights

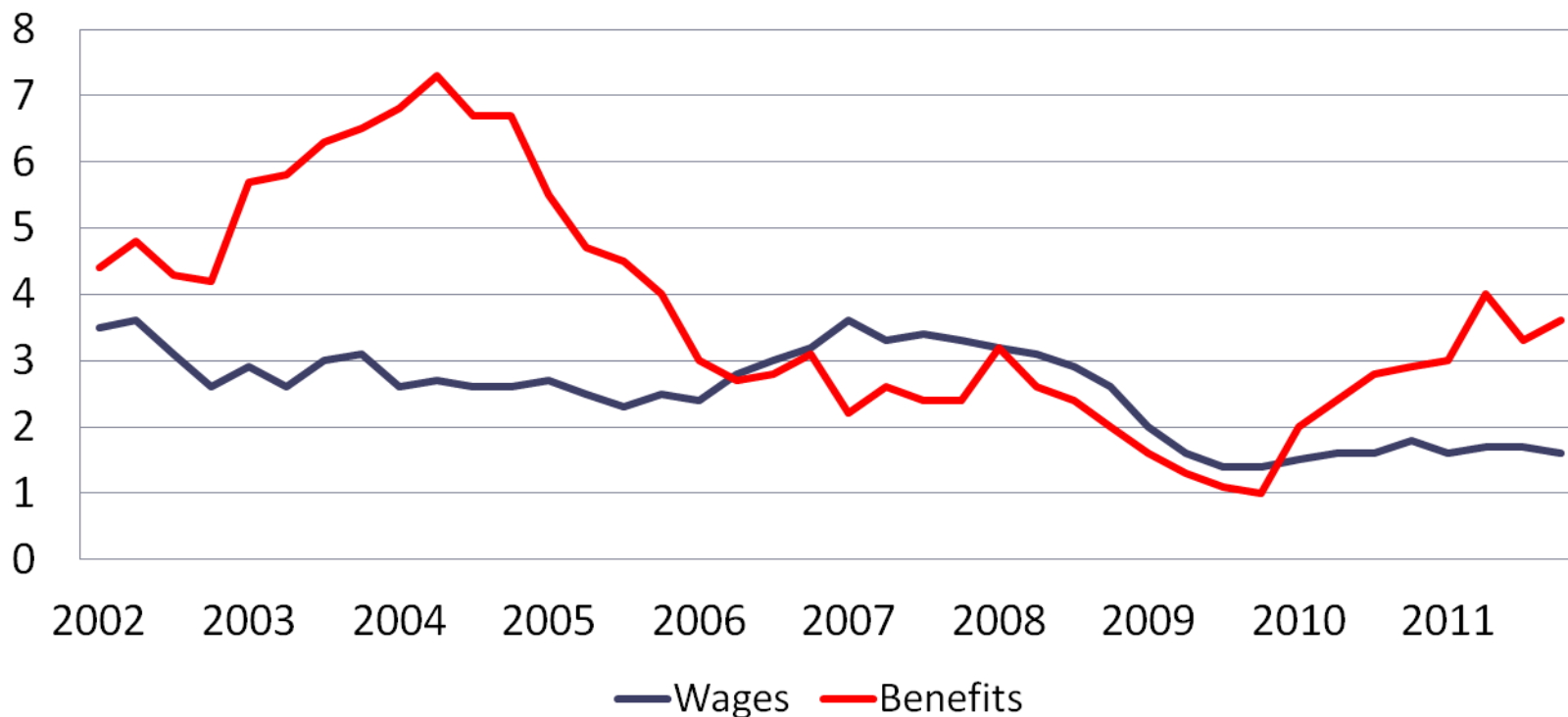
- Wage increases have run about 1.5 percent a year for the past three years
- Prior to the recession, wages typically rose 2.5 to 3.5 percent per year
- Slowing of wage increases is consistent with patterns seen in prior recessions

What is the Employment Cost Index?

- The **Employment Cost Index (ECI)** measures change in labor costs
 - ▶ Costs of wages & salaries, benefits, & total compensation
 - ▶ Data by industry, occupation, union status, and region

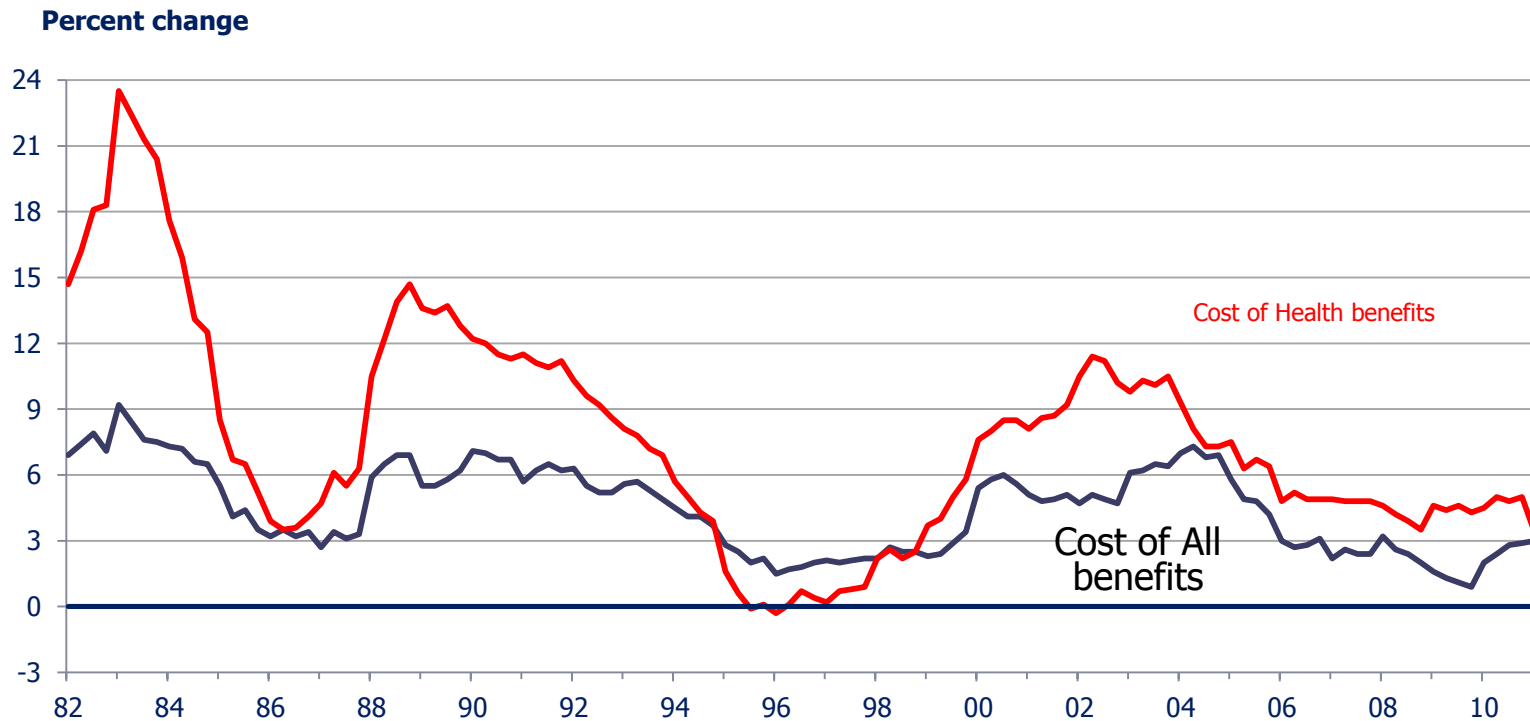
Employment Cost Index

12-month percent change in employer costs for wages and benefits,
private industry

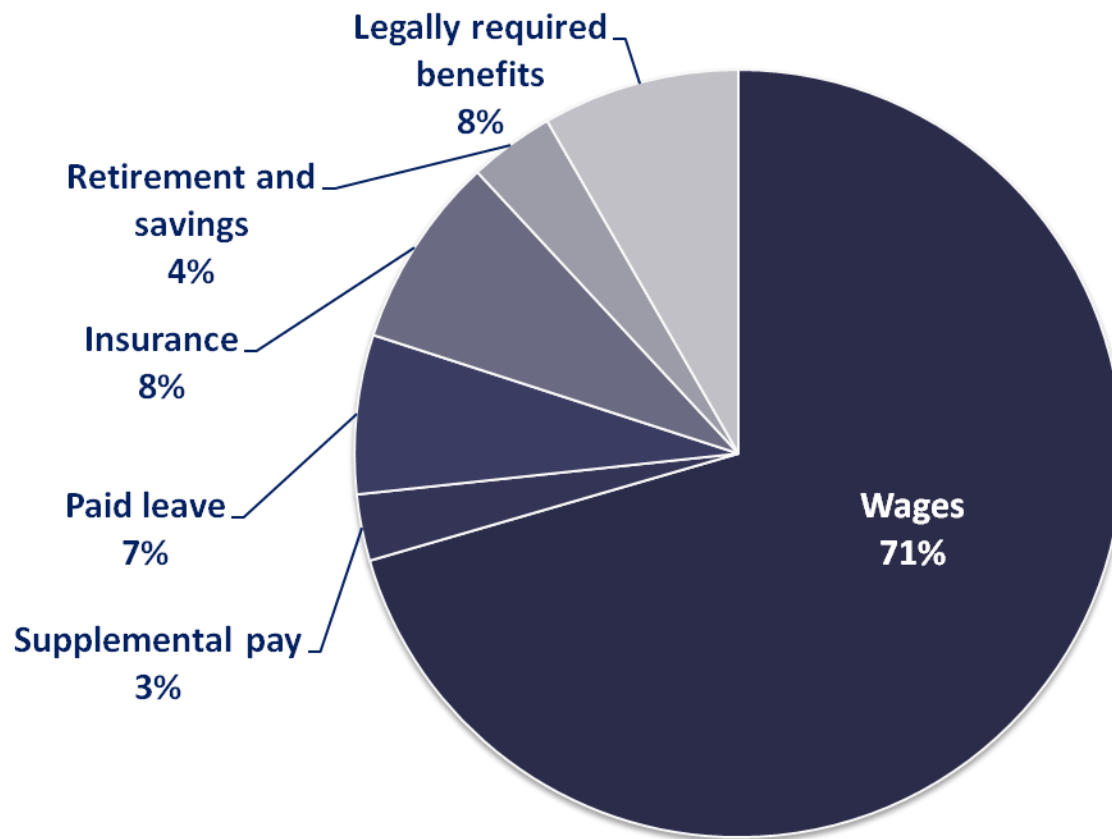


The Changing Cost of Benefits

Employment Cost Index, private industry, 12-month percent change, Total benefits and health benefits



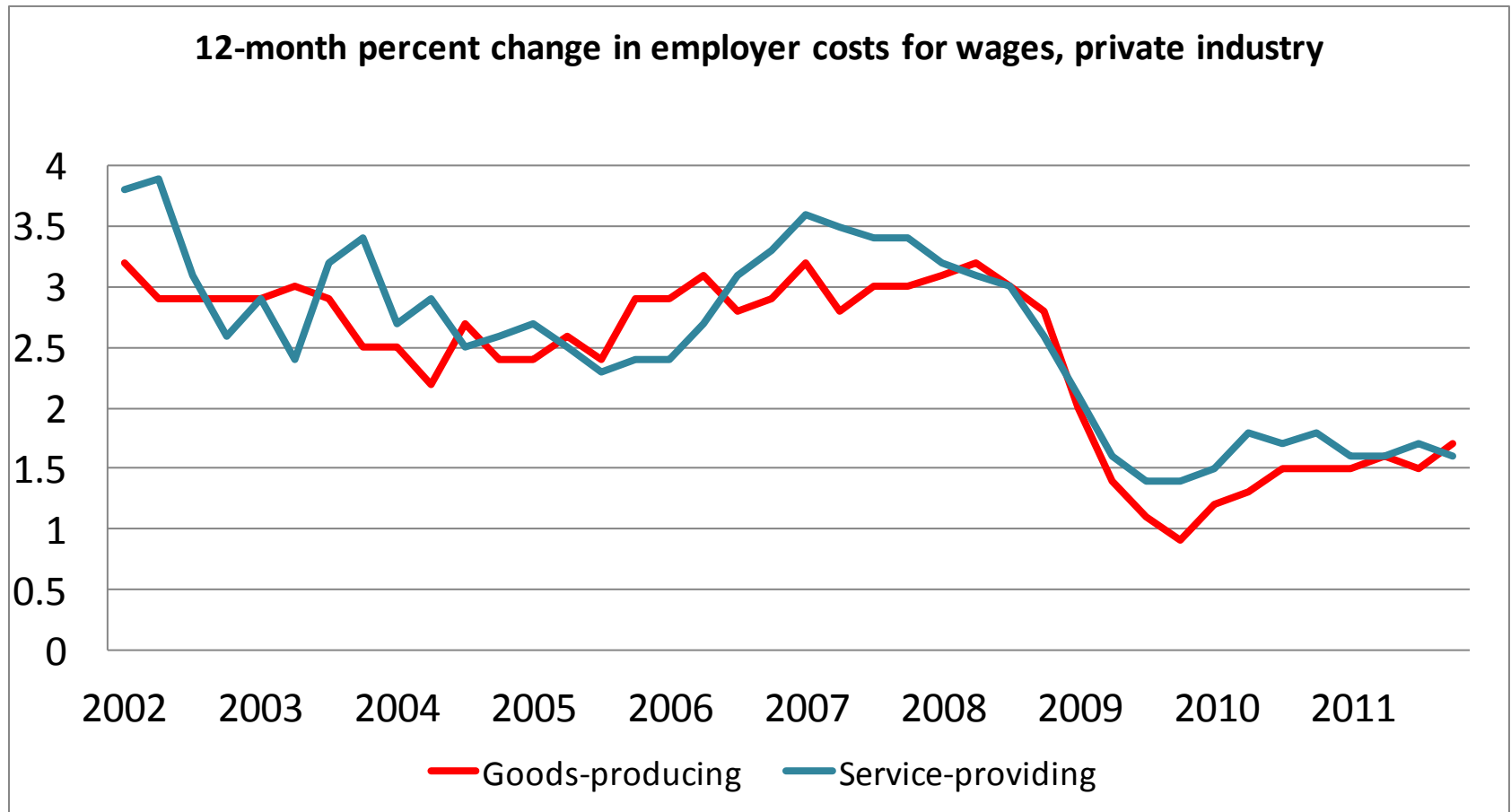
Employer Costs for Employee Compensation, Private Industry, December 2011



A Closer Look at Benefits

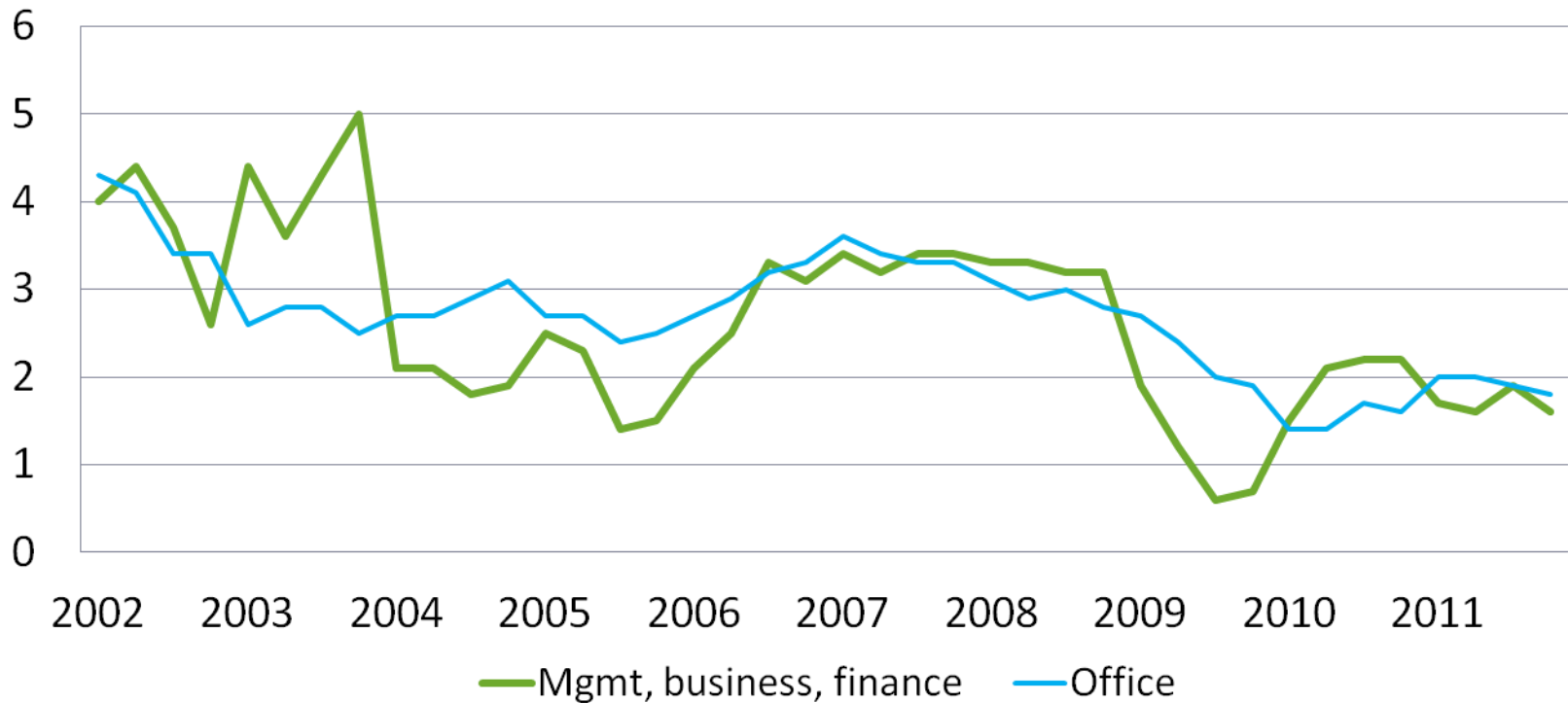
- Insurance costs are dominated by health benefits but include life and disability insurance
- Social Security and Medicare make up three-fourths of the legally required costs, the remainder is unemployment insurance and worker's compensation

Wage Change Across Industry Sectors



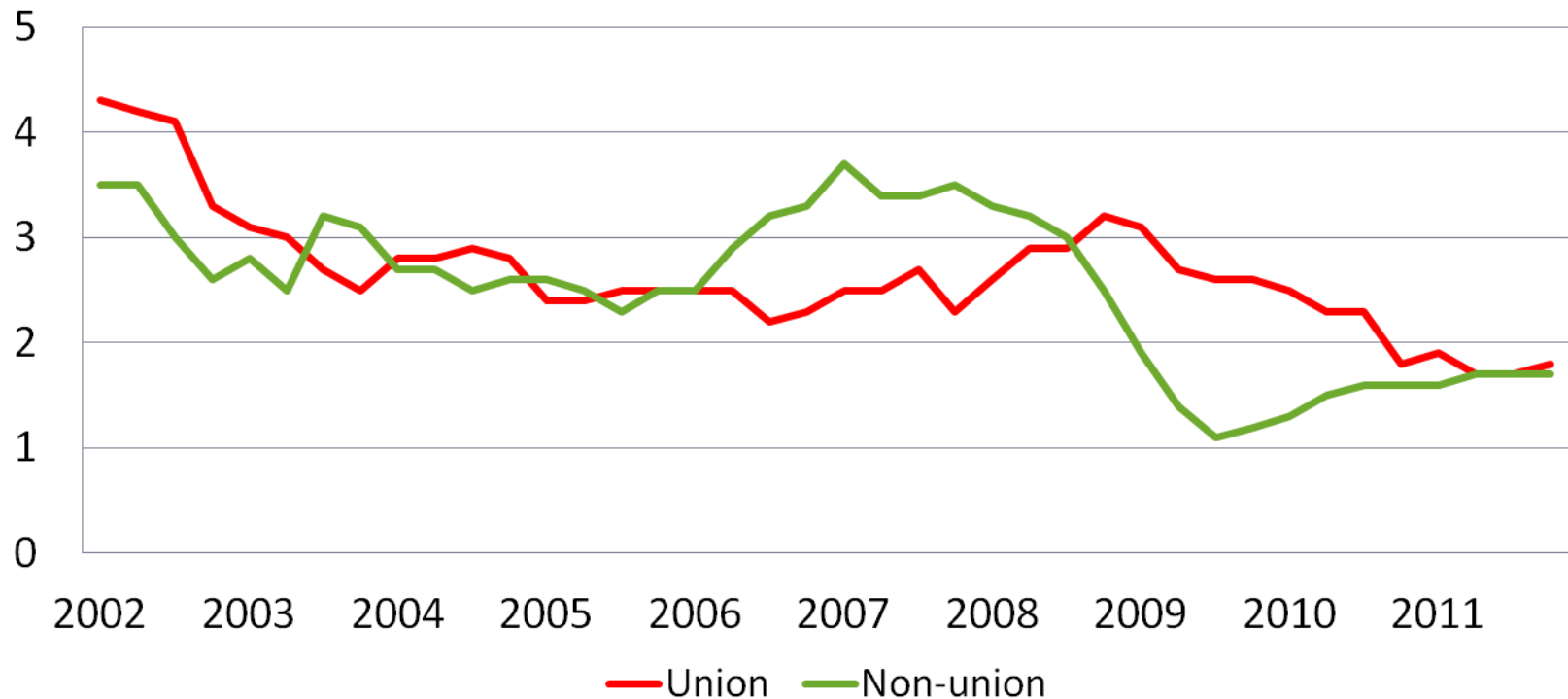
Office Occupations

12-month percent change in employer costs for wages, private industry



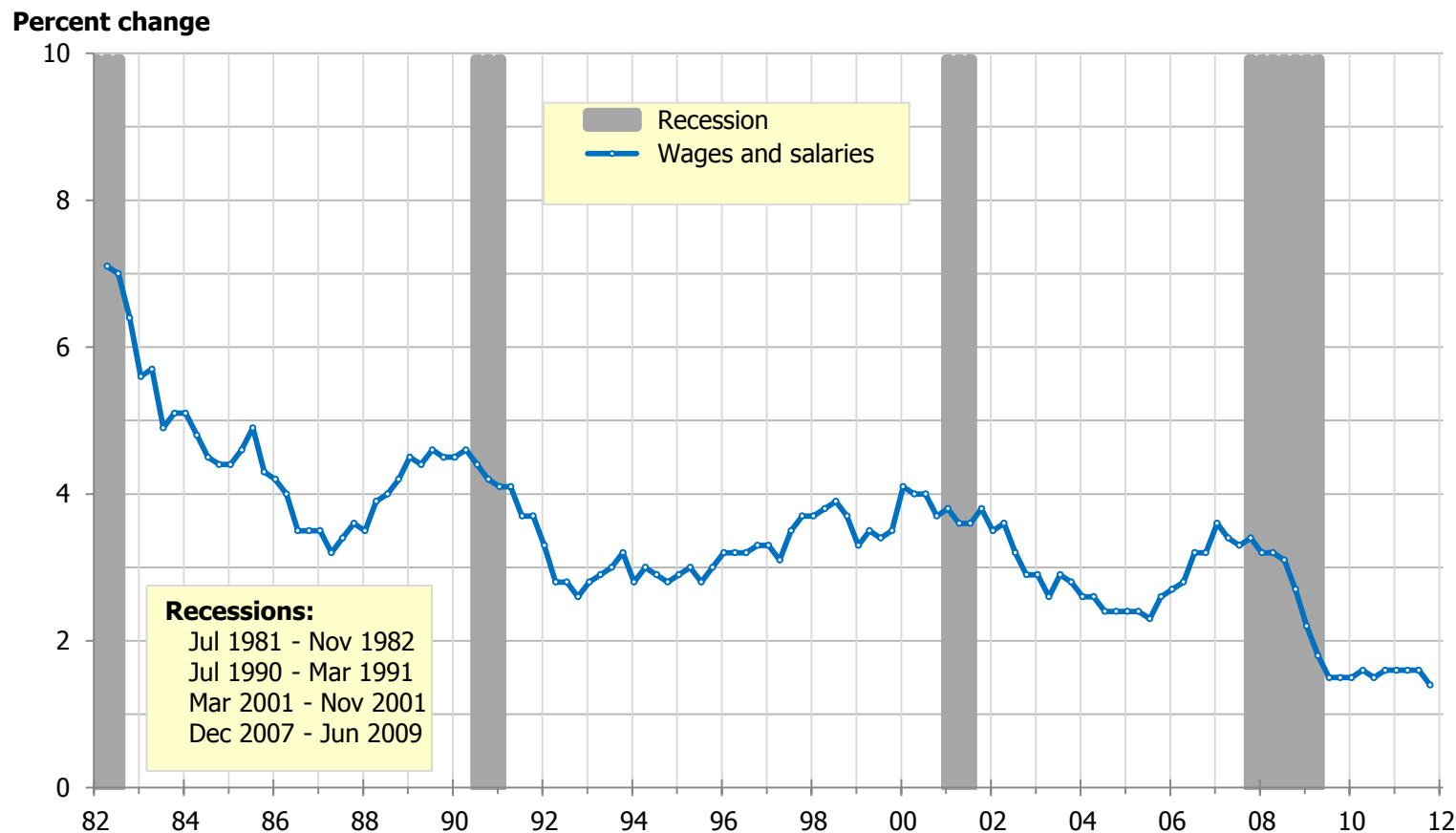
Wage Change by Union Status

12-month percent change in employer costs for wages, private industry



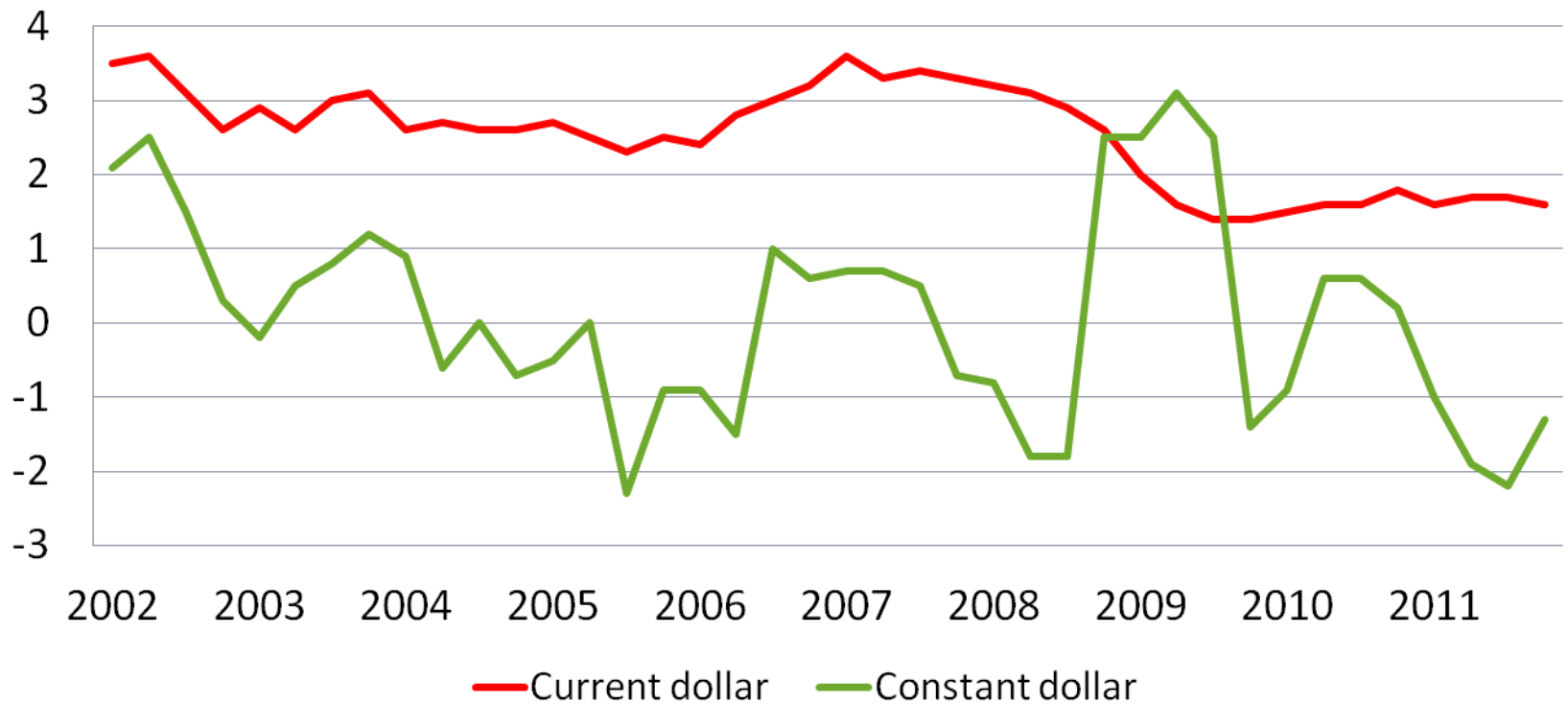
Employment Cost Index During Recessions

Employment Cost Index, Civilian workers,
Wages and salaries and Benefits, 12-month percent change, 1982-2011



Looking at Real Wage Change

12-month percent change in employer costs for wages



A Different Look

**12-month percent change in wages,
before and after start of recession**

